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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JORGE PENA and IGNACIO GRACIAN LOPEZ, on behalf of all others similarly situated, *Plaintiff,* v. MAINTENANCE SUPPLY HEADQUARTERS, LP, a Delaware limited partnership; LOWE'S HOME CENTERS, LLC, a North Carolina limited liability company; and DOES 1 through 10, inclusive, *Defendants*.	Case No.: 23STCV04255 [Consolidated with Case No. 23STCV17380] **PAGA REPRESENTATIVE ACTION** *[Assigned to: Hon. Timothy Patrick Dillon, Dept. 15]* **PLAINTIFFS' NOTICE OF MOTION AND MOTION TO APPROVE PAGA SETTLEMENT** Approval Hearing Date Date: February 10, 2026 Time: 10:00 a.m. Dept.: 15 Complaint Filed: February 27, 2023 FAC Filed: March 15, 2023 SAC Filed: June 1, 2023 TAC Filed: November 17, 2025 Trial Date: Not set

NOTICE OF MOTION AND MOTION

TO THE COURT, ALL PARTIES, AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on February 10, 2026 at 10:00 a.m. in Department 15 of the Spring Street Courthouse, Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012, before the Honorable Timothy Patrick Dillon, Plaintiffs Jorge Pena and Ignacio Gracian Lopez ("Plaintiffs") will, and hereby do, move for an order under Labor Code section 2699(l)(2) approving the PAGA Settlement Agreement ("Settlement") entered into by Plaintiffs and Defendants Maintenance Supply Headquarters, LP and Lowe's Home Centers, LLC ("Defendants").

Pursuant to Labor Code § 2699(l)(2), the settlement of Plaintiffs' PAGA claims requires the Court's approval. The basis for this motion is that Plaintiffs and Defendants reached and fully executed a Settlement of the above-entitled cases, Case Nos. 223STCV04255 and 23STCV17380, that disposes of the matters entirely and is fair, reasonable, and serves the purposes of the PAGA statute. The Settlement includes all current and former non-exempt employees who worked for Defendants at Lowe's Pro Supply locations during the PAGA Period of March 17, 2022 through February 11, 2025. The Settlement is fair, adequate, and reasonable, and it provides for civil penalties to be distributed to Plaintiffs, other PAGA Settlement Members, and the California Labor & Workforce Development Agency.

This motion is based on this Notice, the attached Memorandum of Points and Authorities, the Declarations of Benjamin H. Haber, Marcus J. Bradley, Jorge Pena, and Ignacio Gracian Lopez, as well as the records on file in this action and any argument the Court is presented with at the time of the hearing.

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Respectfully submitted,

Dated: December 3, 2025

WILSHIRE LAW FIRM

By: ______________________________

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Daniel J. Kramer
Alan Wilcox
Lucy Nguyen

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TABLE OF CONTENTS

TABLE OF AUTHORITIES

STATE CASES

FEDERAL CASES

STATE STATUTES

RULES

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION.

On February 27, 2023, Plaintiff Jorge Pena filed suit against Maintenance Supply Headquarters, LP, in the Los Angeles County Superior Court, alleging failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to authorize and permit rest periods, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, failure to indemnify employees for expenditures, and violation of California's Unfair Competition Law. (Declaration of Benjamin H. Haber ["Haber Decl."], ¶ 3.) Plaintiff Pena then amended his complaint on June 1, 2023 to include a representative claim under Private Attorneys General Act ("PAGA"). On July 21, 2023, Plaintiff Ignacio Gracian Lopez (collectively with Plaintiff Pena, "Plaintiffs") filed suit against Maintenance Supply Headquarters, LP and Lowe's Home Centers, LLC ("Defendants") in the Los Angeles County Superior Court, alleging similar wage-and-hour violations under PAGA on behalf of an similarly aggrieved employees with additional claims based on failure to provide suitable seating and failure to minimize indoor heat. (Haber Decl., ¶ 4.)

After an all-day mediation presided over by Monique Ngo-Bonnici, Esq., the Parties ultimately agreed to settle Plaintiffs' PAGA claims for $325,000.00, which will provide significant civil penalties to the California Labor & Workforce Development Agency ("LWDA") and other PAGA Settlement Members. (Haber Decl., ¶ 10.)

Labor Code § 2699(l)(2) provides that "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the [LWDA] at the same time that it is submitted to the court." Plaintiffs submitted the proposed Settlement to the LWDA on December 3, 2025, pursuant to Labor Code § 2699(l)(2). (*Id.* at ¶ 10, Ex. A.) The Parties now seek Court approval of the Settlement. For the reasons discussed in detail below, the Court should issue an order approving the Settlement.

II. FACTUAL AND PROCEDURAL BACKGROUND.

Defendants were acquired by Lowe's, which is a large American retail company that operates home improvement centers throughout the United States. (Haber Decl., ¶ 7.) Plaintiff

Jorge Pena worked for Defendants from approximately October 2019 to approximately December 2022. (*Id.*) Plaintiff Ignacio Lopez worked for Defendants from 2021 to approximately March 2024. (*Id.*)

Plaintiffs' PAGA claims stem from Defendants' failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to provide rest periods, failure to pay all earned wages twice per month; failure to maintain accurate records; failure to timely pay all earned wages and final paychecks due at the time of separation of employment; failure to provide accurate wage statements; failure to reimburse business expenses; failure to produce employment records; failure to provide suitable seating; and failure to minimize excessive indoor heat. (Haber Decl., ¶ 6.)

After Plaintiffs filed their complaint, the Parties engaged in extensive settlement discussions regarding the merits of the case. (*Id.* at ¶ 8.) On Plaintiffs' request, Defendants produced a sampling of employee timekeeping and payroll data, as well as documents reflecting Defendants' policies, practices and procedures during the relevant time period. Thereafter, the Parties continued to engage in extensive discussions about the factual and legal strengths (and weaknesses) of the claims and defenses. (*Id.*) Ultimately, after an all-day mediation on December 11, 2024, which was presided over by Monique Ngo-Bonnici, Esq., the Parties agreed to settle the PAGA claims for $325,000.00, which includes all current and former non-exempt employees who worked at Lowe's Pro Supply locations in California during the PAGA Period. (Haber Decl., ¶ 10.) There are approximately 173 PAGA Settlement Members covered by the settlement. (*Id.*) Plaintiffs submitted the Settlement to the LWDA on December 3, 2025, pursuant to Labor Code § 2699(l)(2). A true and correct copy of the Stipulation Regarding Long Form Settlement Agreement ["Settlement"] executed by the Parties, along with the confirmation that the Settlement was submitted to the LWDA is attached to the Declaration of Benjamin H. Haber as **Exhibit 1**. (Haber Decl., Ex. 1.) Additionally, attached as **Exhibit 2** to the Declaration of Benjamin H. Haber is the Settlement Notice that will be sent to the PAGA Settlement Members with payment after the Court enters a Judgement on its Order Approving the PAGA Settlement. (*Id.*; Ex. 2.)

On February 20, 2025, this Court issued an Order consolidating these actions and designating Plaintiff's Pena Action as the lead case. (Haber Decl., ¶ 5.)

On November 17, 2025, Plaintiffs filed the operative Third Amended Consolidated Complaint, which seeks civil penalties under PAGA on behalf of all Lowe's employees who worked at one of Lowe's Pro Supply locations in California from March 17, 2022, through February 11, 2025, alleging that Lowe's: (1) failed to pay all overtime and minimum wages in violation of Labor Code sections 510 and 1194; (2) failed to provide meal periods and meal period premium pay in violation of Labor Code section 226.7; (3) failed to provide rest breaks and rest break premium pay in violation of Labor Code section 226.7; (4) failed to pay all earned wages twice per month in violation of Labor Code section 204; (5) failed to maintain accurate records in violation of Labor Code section 1174.5; (6) failed to timely pay all earned wages and final paychecks due at the time of separation of employment in violation of Labor Code sections 201–203; (7) failed to provide accurate wage statements in violation of Labor Code section 226; (8) failed to reimburse business expenses in violation of Labor Code section 2802; (9) failed to produce employment records in violation of Labor Code sections 226 and 1198.5; (10) failed to provide suitable seating; and (11) failed to minimize excessive indoor heat in violation of Labor Code sections 6720 and 226.7. (Haber Decl., ¶ 6.)

III. <u>ARGUMENT.</u>

PAGA permits PAGA Settlement Members to sue an employer for civil penalties associated with the employer's alleged violations of the Labor Code. (Labor Code § 2699(a).) Under the statute, of the amount paid to settle a claim for PAGA penalties, twenty-five percent (25%) is payable to the PAGA Settlement Members and seventy-five percent (75%) is payable to the LWDA. (Labor Code § 2699(i).)

A. <u>The Terms of the PAGA Settlement.</u>

The Settlement provides for a gross Settlement Amount of $325,000.00 to be distributed to all current and former non-exempt employees who worked at Lowe's Pro Supply locations in California during the PAGA Period of March 17, 2022, through February 11, 2025, and releases claims by the PAGA Settlement Members during this period as well. (Settlement, ¶¶ A.15, A.16., A.19, A.22.) Of that amount, $113,750.00 is allocated to Attorneys' Fees, up to $35,000.00 is allocated to litigation costs, up to $3,950.00 is allocated to Settlement Administrator Costs, and $10,000.00 ($20,000.00 total) is allocated as a Service Award to each Plaintiff. (Settlement, ¶ C.3, C.4, C.5.) The Net Settlement Amount after these deductions is estimated to be no less than $152,300.00 and will be allocated and disbursed as follows:

Settlement Administration. Within twenty-one (21) days of the effective date, Defendants will provide a list of PAGA Settlement Members to the Settlement Administrator. (Settlement, ¶ C.5(b).) The Settlement Administrator will calculate the Employee Settlement Payments within fourteen (14) calendar days of receiving the list of PAGA Settlement Members from Defendants. The Settlement Administrator will provide a copy of its calculations, without any name or any other identifying data, for Plaintiffs' Counsel and Defendants to review. The Parties may dispute the calculations only with respect to mathematical errors or an incorrect application of the above method of allocation. Such a dispute must be raised in writing within seven (7) calendar days after the Settlement Administrator provides the calculations in writing to counsel for Plaintiffs and Defendants. (*Id.*) Within sixty-five (65) days of the Effective Date, Defendants shall fully fund the Settlement by transmitting the funds to the Settlement Administrator. (*Id.* at ¶ E.)

If any PAGA Settlement Member does not cash their settlement check within one hundred and eighty (180) days after issuance, then ten (10) business days after the check-cashing deadline, the Settlement Administrator shall void the check and remit the funds to the State Controller to be deposited in the California Unclaimed Property Fund the PAGA Settlement Member's name. (*Id.* at ¶ C.4(c).)

B. The Terms of the PAGA Settlement Are Fair and Should Be Approved.

The settlement of a PAGA claim requires court approval pursuant to the operative PAGA statute, which states that the "court shall review and approve any penalties sought as part of a proposed settlement agreement pursuant to this part." (Labor Code § 2699(l).)

As with any settlement, the Court must be mindful in conducting its inquiry that "[s]ettlement is a compromise, which balances the possible recovery against the risks inherent in litigating further." (*See In re TD Ameritrade Account Holder Litig.* (N.D. Cal. Sept. 13, 2011) 2011 WL 4079226, *9.) Indeed, "the very essence of a settlement is … 'a yielding of absolutes and an abandoning of highest hopes,'" as "it is the very uncertainty of outcome in litigation and avoidance of wasteful and expensive litigation that induce consensual settlements." (*See Officers for Justice v. Civil Service Com*. (9th Cir. 1982) 688 F.2d 615, 624-25.) As such, "the settlement or fairness hearing is not to be turned into a trial or rehearsal for trial on the merits" or "judged against a hypothetical or speculative measure of what might have been achieved by the negotiators." (*Id*.)

Although the operative PAGA statute does not set forth the criteria by which a PAGA settlement is to be judged, it is presumed that a reviewing court may utilize some of the factors for review of a class action settlement. However, "a PAGA claim asserted on a non-class representative basis…is not considered a class action but a law enforcement action, and therefore does not have to meet the requirements of [a class action]." (*See Casida v. Sears Holdings Corp.* (E.D. Cal. Jan. 26, 2012) 2012 WL 253217, *3; *Thomas v. Aetna Health of Cal., Inc.* (E.D. Cal. June 2, 2011) 2011 WL 2173715, *13 ; *Mendez v. Tween Brands, Inc.*, 2010 WL 2650571, *4 (E.D. Cal. July 1, 2010).) Based thereon, a court's review of a PAGA settlement necessarily implicates the following unique features that render the approval process distinct from approval of a class action settlement under Code of Civil Procedure § 382 and California Rules of Court, Rule 3.769.

First, in evaluating the adequacy of the settlement amount, the Court's focus is not concerned with the amount(s) that "aggrieved employees" are to receive, but rather, must focus on the total settlement amount in achieving PAGA's objective. Indeed, "[t]he remedy sought in a PAGA suit consists of civil penalties, not individual or class damages." (*Mendez, supra*, 2010 WL 2650571 at *4.) "Unlike class actions, these civil penalties are not meant to compensate unnamed employees because the action is fundamentally a law enforcement action." (*Ochoa-Hernandez v. Cjaders Foods, Inc.* (N.D. Cal. Apr. 2, 2010) 2010 WL 1340777, *4. Moreover, while "'[a PAGA] action is … designed to protect the public and penalize the employer for past illegal conduct," a reviewing Court must take into account the fact that settlement of a PAGA claim – like any settlement – involves a "compromise" that stops short of rendering findings of liability and damages. (*Mendez*, 2010 WL 2650571 at p. *4) As such, the Court must not lose sight of the fact that "[u]nlike a class action seeking damages or injunctive relief for injured employees, the purpose of PAGA is to incentivize private parties to recover civil penalties for the government that otherwise may not have been assessed and collected by overburdened state enforcement agencies." (*See Ochoa-Hernandez,* 2010 WL 1340777 at p. *4.)

Second, consistent with the fact that unnamed employees have no property interest in a PAGA claim,[1] "[u]nnamed employees need not be given notice of the PAGA claim, nor do they have the ability to opt-out of the representative PAGA claim." (*See Ochoa-Hernandez, supra,* 2010 WL 1340777 at p. *4.) This renders the approval process of a PAGA settlement distinct from a class action settlement, as there is no need for the Court to employ the "two-step approval process" required under Federal Rule of Civil Procedure 23(e) and Rule 3.769.[2]

Finally, unlike a class action settlement under Rule 23(e) and Rule 3.769, the scope of release permitted in a PAGA settlement is limited. While "judgment in [a PAGA] action is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding…the non-party employees, because they were not given notice of the action or afforded any opportunity to be heard, would not be bound by the judgment as to remedies other than civil penalties." (*Arias v. Superior Court* (2009) 46 Cal.4th 969, 986-87 .) Thus, with the exception of the named Plaintiff, the scope of a release

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1 As held by the California Supreme Court, "[t]he Labor Code Private Attorneys General Act of 2004 does not create property rights or any other substantive rights" as "[i]t is simply a procedural statute allowing an aggrieved employee to recover civil penalties—for Labor Code violations—that otherwise would be sought by state labor law enforcement agencies." (*Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court* (2009) 46 Cal.4th 993, 1003.)

2 Significantly, the "two-step" approval process of Rule 23(e) is required to facilitate "notice" to absent class members, as Rule 23(e) expressly requires notice and an opportunity for absent class members to exclude themselves or object. (*See* Fed. R. Civ. P. 23(e) ("The following procedures apply to a proposed settlement … (1) The court must direct notice in a reasonable manner to all class members who would be bound by the proposal…. (4) … the court may refuse to approve a settlement unless it affords a new opportunity to request exclusion to individual class members.… (5) Any class member may object to the proposal if it requires court approval under this subdivision").) Cal. Rule of Court 3.769 contains similar rules for State court class actions.

in a PAGA settlement is necessarily strictly confined to the PAGA penalties alleged in the complaint, and claims that were or could have been alleged pursuant to PAGA based on the factual allegations in the Complaint. In the case at hand, as the only claims at issue are PAGA claims, those will be the only claims extinguished as a result of this Settlement, with the exception of Plaintiffs' much broader, general personal release against Defendants.

California courts have a strong policy in favor of settlement. (*See, e.g., Stambaugh v. Superior Court* (1976) 62 Cal.App.3d 231, 236.) Unlike individual settlements, class action settlements (and representative PAGA settlements) involve a court approval process that exists to prevent fraud, collusion, and unfairness to absent individuals. (*Malibu Outrigger Bd. of Governors v. Superior Court* (1980) 103 Cal.App.3d 573, 578-79.) In the class action context, there is a presumption of fairness of a class action settlement when: (1) the settlement is reached as a result of arm's length negotiations; (2) there has been sufficient investigation and discovery; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. (*Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1802.) Before approving a class action settlement, a trial court must develop an understanding "of the amount that is in controversy and the realistic range of outcomes of the litigation." (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 120.).

The proposed settlement meets all of these factors.

1. The Settlement Was Reached Through Arms-Length Bargaining.

The Parties reached the Settlement after an all-day mediation presided over by Monique Ngo-Bonnici, Esq. (Haber Decl., ¶¶ 9-10.) The settlement negotiations were at arm's length and, although conducted in a professional manner, were adversarial. (*Id.* at ¶ 9.) The Parties went into the mediation willing to explore the potential for a settlement of the dispute, but each side was also prepared to litigate their position through trial and appeal if a settlement had not been reached. (*Id.*)

2. The Settlement Is Based On Sufficient Investigation and Discovery.

Before the Settlement, Plaintiffs' counsel conducted an investigation into the claims alleged by Plaintiffs, conducted legal research, and engaged in informal discovery. Based upon the information obtained through informal discovery, Plaintiffs' counsel was able to act intelligently and effectively in negotiating the proposed Settlement. (Haber Decl., ¶ 8.)

3. Plaintiffs' Counsel Have Extensive Experience in PAGA Actions.

Highly capable and experienced counsel conducted the settlement negotiations. Plaintiffs' counsel are respected members of the bar with a strong record of vigorous and effective advocacy for their clients, and they are experienced in handling complex wage and hour class action litigation and PAGA actions. (Haber Decl., ¶¶ 29-38; Declaration of Marcus J. Bradley ["Bradley Decl."], ¶¶ 11-28.) Although Plaintiffs and counsel were prepared to litigate the claims in this action, they support the proposed Settlement as being in the best interests of the State of California and the PAGA Settlement Members. (*Id.*)

4. Assessing the Amount In Controversy and the Risks of Trial.

Plaintiffs and their counsel remain confident of the merits of Plaintiffs' claims. (Haber Decl., ¶ 11.) However, Plaintiffs do acknowledge that their position includes risk and uncertainty, as described in more detail below. With respect to the meal period allegation, Plaintiffs allege that Defendants did not have fully compliant written meal period policies. (Haber Decl., ¶ 12.) Although Plaintiffs contend that this allegation is meritorious, there is risk with this underlying claim. (*Id.*) With respect to the rest period allegation, Plaintiffs contend that employees, including themselves, were not provided with California-compliant rest periods, as employees were often cut short or otherwise interrupted or that employees would be forced to skip rest breaks due to a heavy workload. (*Id.*) Again, despite Plaintiffs' contention that this allegation is credible, proving rest period allegations is particularly difficult because rest periods do not have to be recorded and Defendants can argue that the PAGA Settlement Members chose to voluntarily forego their rest periods. (*Id.*) With respect to the unreimbursed business expenses allegation, Plaintiffs allege that Defendants required them and the other PAGA Settlement Members use their personal cell phones without being reimbursed. Defendants disputes this claim based on the fact that they reimbursed all necessary business expenses. (*Id.*)

With regard to underlying Plaintiffs' wage statement claim, Defendants argues that the wage statements issued to employees meet the requirements of Labor Code § 226(a). (Haber

Decl., ¶ 13.) Defendants also maintains that any alleged wage statement violation could not be shown to be "knowing and intentional," and that Plaintiffs cannot show that he or any other employee "suffer[ed] injury" as a result of the alleged wage statement violations, as required by Labor Code § 226(e) for the imposition of penalties.

Additionally, Plaintiffs faced a significant risk that even if the Court did award PAGA penalties, the Court could drastically reduce the penalties based on the discretionary factors contained in Labor Code § 2699(e)(2) ("In action by an aggrieved employee…, a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."). Plaintiffs believed there was a legitimate risk of the Court significantly reducing penalties given the technical nature of the alleged violations. (Haber Decl., ¶ 14.)

Without this settlement, the Parties face preparation for trial, as well as extensive formal discovery efforts and further depositions. (Haber Decl., ¶ 14.) As a result, the Parties would incur considerably more attorneys' fees and costs through trial. (*Id.*) This settlement avoids those risks and the accompanying expense. Thus, this factor favors settlement approval. (*Id.*)

As described above, the proposed Settlement provides a fair and reasonable monetary recovery for the PAGA Settlement Members and the LWDA in the face of the contested claims. Plaintiffs estimated Defendants' realistic exposure for the PAGA penalties as follows:

Plaintiffs' expert determined that there were 5,700 pay periods during the relevant time period which presented issues with regard to unpaid wages, meal period violations, rest period violations, and unreimbursed business expenses. (Haber Decl., ¶ 15.) Plaintiffs acknowledge that when evaluating Defendants' potential exposure, it is likely that the Court would impose only the initial $100 violation for all PAGA violations. (*See Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1207 [finding that the "initial" violation rate applies until the employer has been notified that it is violating a Labor Code provision].) Applying the $100 "initial violation" penalty for each of these pay periods, Defendant's potential PAGA exposure is $570,000 (based on 5,700 pay periods). (Haber Decl., ¶ 15.) However, Defendants' contention that the underlying, allegations lacked merit led to Plaintiffs discounting this maximum exposure by 25% to account for the risk of not prevailing on the merits and the Court's discretion in reducing penalties, for a total of $427,500. (*Id.*)

Using these estimated figures, Plaintiffs predicted that the realistic total potential recovery for the PAGA Settlement Members and the LWDA would be approximately $427,500. (Haber Decl., ¶ 16.) **The proposed Settlement of $325,000 therefore represents approximately 76% of Plaintiffs' reasonably forecasted total recovery**. (*Id.*) "The fact that a proposed settlement may only amount to a fraction of the potential recovery does not, in and of itself, mean that the proposed settlement is grossly inadequate and should be disapproved." (*Linney v. Cellular Alaska Partnership* (9th Cir. 1998) 151 F.3d 1234, 1242 [internal quotations omitted].) In this case, continued litigation would delay payment to the LWDA and the PAGA Settlement Members as they await trial and, most likely, appellate proceedings. (Haber Decl., ¶ 16.) Furthermore, while Plaintiffs are confident in the merits of the case, a legitimate controversy exists as to each of the predicate Labor Code violations. (*Id.*) The possibility that the Court finds no liability at the PAGA bench trial is also a risk. (*Id.*) In sum, when the risks of litigation, the burdens of proof necessary to establish liability, and the probability of appeal of a favorable judgment are balanced against the merits of Plaintiff's claims, it is clear that the Settlement amount is fair. (*Id.*) Further, because of the proposed Settlement, the PAGA Settlement Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment. (*Id.*) Plaintiffs also recognize that proving the amount of wages due to each employee would be an expensive, time-consuming, and uncertain proposition. (*Id.*)

If the Court approves the terms of the Settlement, each PAGA Settlement Members' payment will be approximately $220.09 and approximately $162,332.50 will go to the LWDA. (Haber Decl., ¶ 17.) In reality, some employees will likely receive more, and others may receive less depending on the length of their employment with Defendants. (*Id.*)

C. **The PAGA Representatives Service Payments Are Reasonable.**

Plaintiffs in class action lawsuits are eligible for reasonable incentive payments as compensation "for the expense or risk they have incurred in conferring a benefit on other members of the class." (*Munoz v. BCI Coca-Cola Bottling Company of Los Angeles* (2010) 186 Cal.App.4th 399, 412.) Courts routinely grant approval of class action settlement agreements containing additional awards for the class representatives, which are "intended to compensate class representatives for work done on behalf of the class, to make up for financial or reputational risk undertaken in bringing the action, and, sometimes, to recognize their willingness to act as a private attorney general." (*Cellphone Fee Termination Cases* (2010) 186 Cal.App.4th 1380, 1393-94 [citations omitted].)

The Settlement provides for a Service Payment to each Plaintiff in an amount of $10,000.00 ($20,000.00 total). (Settlement, ¶ C.4.) The requested service awards is intended to recognize: (1) the substantial time and effort that Plaintiffs have expended on behalf of the State and PAGA Settlement Members; (2) the risks faced by Plaintiffs as a result of bringing this action; (3) the fact that Plaintiffs put the interests of the State of California and PAGA Settlement Members ahead of his own; (4) the substantial benefit conferred upon the State and the PAGA Settlement Members as a result of Plaintiffs' actions; and (5) the fact that Plaintiffs, unlike the other aggrieved employees, have agreed to general releases of their claims against Defendant. (Haber Decl., ¶ 18.) Plaintiffs have spent numerous hours performing tasks for this case, including, but not limited to, the following: consulting with counsel in-person and over the telephone; searching for and producing relevant documents; reviewing documents produced by Defendants and settlement documents; keeping informed of the developments in the case; and participating in decisions concerning the case, including settlement. (Haber Decl., ¶ 19.) As a result of their efforts, the LWDA and about 173 PAGA Settlement Members will receive compensation for civil penalties for underpaid wages and other wage and hour violations. (*Id*.)

Plaintiffs put themselves at significant risk in pursuing this action on behalf of the State, as serving as a Plaintiffs in a representative action could affect their prospects for future employment. (Haber Decl., ¶ 20; see also, generally, Declaration of Jorge Pena and Declaration of Ignacio Gracian Lopez.) Plaintiffs also placed themselves at substantial risk because, if Defendants were to prevail in this action, Plaintiffs could be liable for Defendants' costs and attorneys' fees. (*Id*.)

In short, this action would not have been possible without the aid of Plaintiffs, who put their own time and effort into this litigation, sacrificed the value of their individual claims by entering into a general release of all known and unknown claims, and placed themselves at risk for the sake of the State and the PAGA Settlement Members. (Haber Decl., ¶ 21.) Accordingly, the requested Service Payments are reasonable and should be approved by the Court.

D. The Requested Attorneys' Fees and Costs Are Reasonable.

A prevailing party in a PAGA action is entitled to recover his attorneys' fees and costs for his claims. (Cal. Lab. Code § 2699(g) ["Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs."].) A fee award is justified where the legal action has produced its benefits by way of a voluntary settlement. (*See, e.g., Maria P. v. Riles* (1987) 43 Cal.3d 1281, 1290-91; *Westside Community for Independent Living, Inc. v. Obledo* (1983) 33 Cal.3d 348, 352-53.)

Fee awards of roughly one-third of the settlement fund are routinely awarded in California state and federal courts in class and representative PAGA actions. "[F]ee awards in class actions average around one-third of the recovery." (*Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 66, fn. 11 ; *see also*, *In re Pacific Enterprises Securities Litig.* (9th Cir. 1995) 47 F.3d 373, 379 [affirming 33% fee award]; *Williams v. MGM-Pathe Communications Co.* (9th Cir. 1997) 129 F.3d 1026, 1027 [holding that class counsel's fee award should have been calculated as one-third of the gross settlement fund]; *Chavez v. Saticoy Lemon Ass'n* (Cal. Super. Ct. Ventura Cty. Aug. 10, 2015) Case No. 56-2015-00468600-CU-OE-VTA, 2015 WL 5561118 [approving attorneys' fees of one-third of settlement fund in representative PAGA settlement]; *Clavel v. Lupe's Thousand Oaks Mexican Restaurant, Inc.* (Cal. Super. Ct. Ventura Cty. Mar. 25, 2016) Case No. 56-2015-00467353-CU-OE-VTA, 2016 WL 1601221 [same].)

The fee award requested here ($113,750.00, representing 35% of the $325,000.00 gross settlement amount) is justified because Plaintiffs' counsel achieved a significant monetary recovery for the PAGA Settlement Members and the LWDA in an uncertain and risky case while bearing the substantial burdens of representation on a contingency basis, and the fees requested are in line with the market rates described above. Plaintiffs' counsel expended significant time and resources in litigating this case, which resulted in a favorable result for the LWDA, Plaintiffs, and the PAGA Settlement Members. Plaintiffs' counsel elected to bear the contingency risk of this litigation for the benefit of the PAGA Settlement Members, as well as for the State of California (who elected not to take the case after receiving the PAGA notice). (Haber Decl., ¶¶ 38-42; *see also* Bradley Decl., ¶ 38.)

Critically, this settlement exceeds other PAGA awards approved by courts. (*See, e.g., Aguirre v. DSW, Inc.* (C.D. Cal. Nov. 29, 2012) 2012 WL 11875296, *3 [approving $10,000 PAGA payment]; *Garcia v. Gordon Trucking, Inc.* (E.D. Cal. Oct. 31, 2012) 2012 WL 5364575, *7 ["GTI agrees to allocate $10,000 to Plaintiffs' PAGA claims, and will pay $7,500 to the LWDA, and $2,500 to participating Class Members on a pro-rata basis. This comports with settlement approval of PAGA awards in other cases. [Citations.] Therefore, the Court will approve the allocation of the Settlement to Plaintiffs' PAGA claim."]; *Boyd v. Bank of America Corp.* (C.D. Cal. Nov. 18, 2014) 2014 WL 6473804, *8 [approving $18,750 PAGA payment]; *Franco v. Ruiz Food Prods.* (E.D. Cal. Nov. 27, 2012) 2012 WL 5941801, *14 [approving $10,000 PAGA payment]; *Chu v. Wells Fargo Investments, LLC* (N.D. Cal. Feb. 16, 2011) 2011 WL 672645, *1 [approving $10,000 PAGA payment]; *cf. Nordstrom Comm'n Cases* (2010) 186 Cal.App.4th 576, 589 [holding that trial court did abuse its discretion in approving wage and hour class action settlement that involved PAGA claims even though no settlement money was allocated to the PAGA claims and paid to the LWDA].) The fact that Plaintiffs' counsel achieved these results without engaging in a protracted legal battle, in the face of serious defense challenges and an uncertain legal landscape, confirms the strength of the results achieved.

As discussed above, this case carried substantial risk as to the merits as well as the potential of the Court drastically reducing penalties in the context of a contested trial or summary judgment proceeding. Accordingly, it is fair and reasonable to account for these risks in compensating Plaintiffs' counsel. Since undertaking this representation, Plaintiffs' counsel have dedicated substantial resources to this litigation, including approximately $27,797.14 in costs to date, without receiving any compensation to date. (Haber Decl., ¶¶ 22, 28; Bradley Decl. ¶ 39.) Plaintiffs' counsel conducted extensive legal research regarding the merits of

Plaintiffs' claims, their ability to recover penalties under the PAGA, and Defendants' potential defenses. (*Id.* at ¶ 8.) Plaintiffs' counsel expended significant additional effort in preparing formal settlement documents and this Motion to Approve PAGA Settlement. (*Id.* at ¶ 28.) Given the considerable potential for adverse outcomes in this case, including, but not limited to, Defendants defeating Plaintiffs' claims on the merits, and/or facing a drastic reduction to potential PAGA penalties, the contingent risk borne by Plaintiffs' counsel was great. The quality of Plaintiffs' counsel's work, and the efficiency and dedication with which it was performed, should be compensated.

Plaintiffs' counsel's previous experience in litigating similar class and representative actions also supports the reasonableness of the fee request. Plaintiffs' counsel brings extensive plaintiff-side wage-and-hour class, collective, and representative action experience. (*Id.* at ¶¶ 29-38; Bradley Decl., ¶¶ 11-28.) They have been found to be adequate counsel in numerous cases alleging wage and hour claims. (*Id.*) Practice in the narrow field of wage-and-hour litigation requires skill and knowledge concerning the rapidly evolving substantive state and federal law, as well as the procedural law of class and representative action litigation. Because it is reasonable to compensate Plaintiff's counsel commensurate with its skill, reputation, and experience, a fee award of 35% of the gross settlement amount is reasonable.

Plaintiffs' request for reimbursement of actual litigation costs of $28,097.14 is also fair and reasonable. As the evidence submitted herewith shows, all of Plaintiffs' litigation costs are documented and reasonably incurred. (*See* Haber Decl., ¶ 28, Ex. 3 [costs to date of $21,296.24, plus $300.00 in future costs]; *see also* Bradley Decl. ¶ 39, Ex. 1 [costs to date of $6,500.90].)

E. <u>Settlement Administrator Costs Are Reasonable.</u>

The Settlement Administrator Costs in the amount of $3,950.00 are reasonable, given the tasks to be performed by the Settlement Administrator, including, but not limited to, the following duties: mailing and re-mailing (if necessary) checks to approximately 173 PAGA Settlement Members and the LWDA; establishing a Qualified Settlement Fund; preparing and submitting to PAGA Settlement Members and government entities all appropriate tax filings and forms; distributing the PAGA Representative Service Payment and attorneys' fees and costs; keeping the Parties timely apprised of the performance of all obligations under the Agreement; and voiding uncashed or undeliverable checks to issue those funds to the California Controller's Unclaimed Property Fund. (Settlement, ¶ C.8.) Plaintiffs respectfully request that the Court approve the requested costs.

IV. CONCLUSION.

For the reasons set forth above, Plaintiffs request that the Court grant this motion and approve the Parties' PAGA Settlement.

Respectfully submitted,

Dated: December 3, 2025

WILSHIRE LAW FIRM

By: ______________________________

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PROOF OF SERVICE

Penq v. Maintenance Supply Headquarters, LP, et al.
23STCV04255

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Rebecca Padilla, state that I am employed in the aforesaid County, State of California; I am over the age of eighteen years and not a party to the within action; my business address is 660 S. Figueroa St., Sky Lobby, Los Angeles, California 90017; and my electronic service address is rebecca.padilla@wilshirelawfirm.com.

On December 3, 2025, I served the foregoing **PLAINTIFFS' NOTICE OF MOTION AND MOTION TO APPROVE PAGA SETTLEMENT** on the interested parties by placing a true copy thereof, enclosed in a sealed envelope by following one of the methods of service as follows:

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(X) **BY UPLOAD:** I hereby certify that the documents were uploaded by my office to the State of California Labor and Workforce Development Agency Online Filing Site.

(X) **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the persons at the electronic service addresses listed above via third-party cloud service **CASEANYWHERE**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on December 3, 2025, at Los Angeles, California.

Rebecca Padilla